

The Health Benefit Exchange and  
the Employer Market  
**Nevada Department of Health and  
Human Services**

*April 26, 2011*



**PUBLIC  
CONSULTING  
GROUP**

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# Agenda

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- Welcome and Introductions
- Employer Eligibility
- Participation and Contribution Requirements
- Purchasing Models
- Premium Billing, Collection, Remittance
- Key Issues for Nevada
- Questions/Open Discussion
- Wrap-up and Next Steps

# Purpose of the Public Forums

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- Gather input from the public on key issues pertaining to the establishment of a Health Benefit Exchange.
- Provide information to the public on the State's approach to planning, designing and developing an Exchange for Nevada.
- Today's focus is on how the Exchange may serve the employer market.
- Your input and insight will help frame the discussion and inform the decisions going forward.

# Employer Eligibility

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- In 2014, Small Business Health Options Program (“SHOP”) Exchange will offer health insurance to small employers
  - Businesses with 50 or fewer full-time employees allowed to purchase coverage through SHOP Exchange in 2014 and 2015;
  - SHOP Exchange must serve groups of 100 or fewer full-time employees in 2016 and beyond; and
  - State may choose to expand Exchange to larger groups in 2017.
- Employers with low-wage workers may be eligible for premium subsidies through the Exchange
  - Firms with up to 25 employees;
  - Average wages of \$50,000 or less; and
  - Up to 50% tax credit available for two years.

# Individual and SHOP Exchange

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- State may choose to establish two Exchanges:
  - Individual market Exchange – American Health Benefit Exchange
  - Employer Exchange – SHOP Exchange
- Or one Exchange that serves both the Individual and employer markets
  - Combining the Individual and SHOP Exchange does not require the State to merge these two markets
  - A single Exchange, with separate risk pools, can be used to serve both markets

# Participation and Contribution Requirements

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- Under current underwriting rules, insurers require employers to meet certain participation and contribution requirements
- Participation:
  - Employers with five or fewer employees generally required to have all employees enroll in employer-sponsored insurance (with exceptions for spousal coverage)
  - Employers with six or more employees required to enroll 75% of eligible employees in employer-sponsored insurance
- Contribution:
  - Employers must contribute at least 50% of premium

# Purchasing Models of the Exchange

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- Federal law provides flexibility in how the SHOP Exchange can offer coverage to employers and their employees
- Upcoming federal regulations will further define the purchasing options for the SHOP Exchange
- Four potential purchasing models:
  - One Carrier, One Plan
  - One Carrier, Multiple Plans
  - All Carriers, One Plan Level
  - All Carriers, All Plan Levels

## Option 1 -- One Carrier, One Plan

### Monthly Premiums for Single Coverage

<u>Plan/Carrier</u>	<u>Carrier A</u>	<u>Carrier B</u>	<u>Carrier C</u>	<u>Carrier D</u>
Platinum	\$540	\$531	\$518	\$554
Gold	\$480	\$472	\$460	\$492
Silver	\$420	\$413	\$403	\$431
Bronze	\$360	\$354	\$345	\$369



## Option 2 -- One Carrier, Multiple Plans

### Monthly Premiums for Single Coverage

<u>Plan/Carrier</u>	<u>Carrier A</u>	<u>Carrier B</u>	<u>Carrier C</u>	<u>Carrier D</u>
Platinum	\$540	\$531	\$518	\$554
Gold	\$480	\$472	\$460	\$492
Silver	\$420	\$413	\$403	\$431
Bronze	\$360	\$354	\$345	\$369

## Option 3 – Multiple Carriers, One Plan Level

### Monthly Premiums for Single Coverage

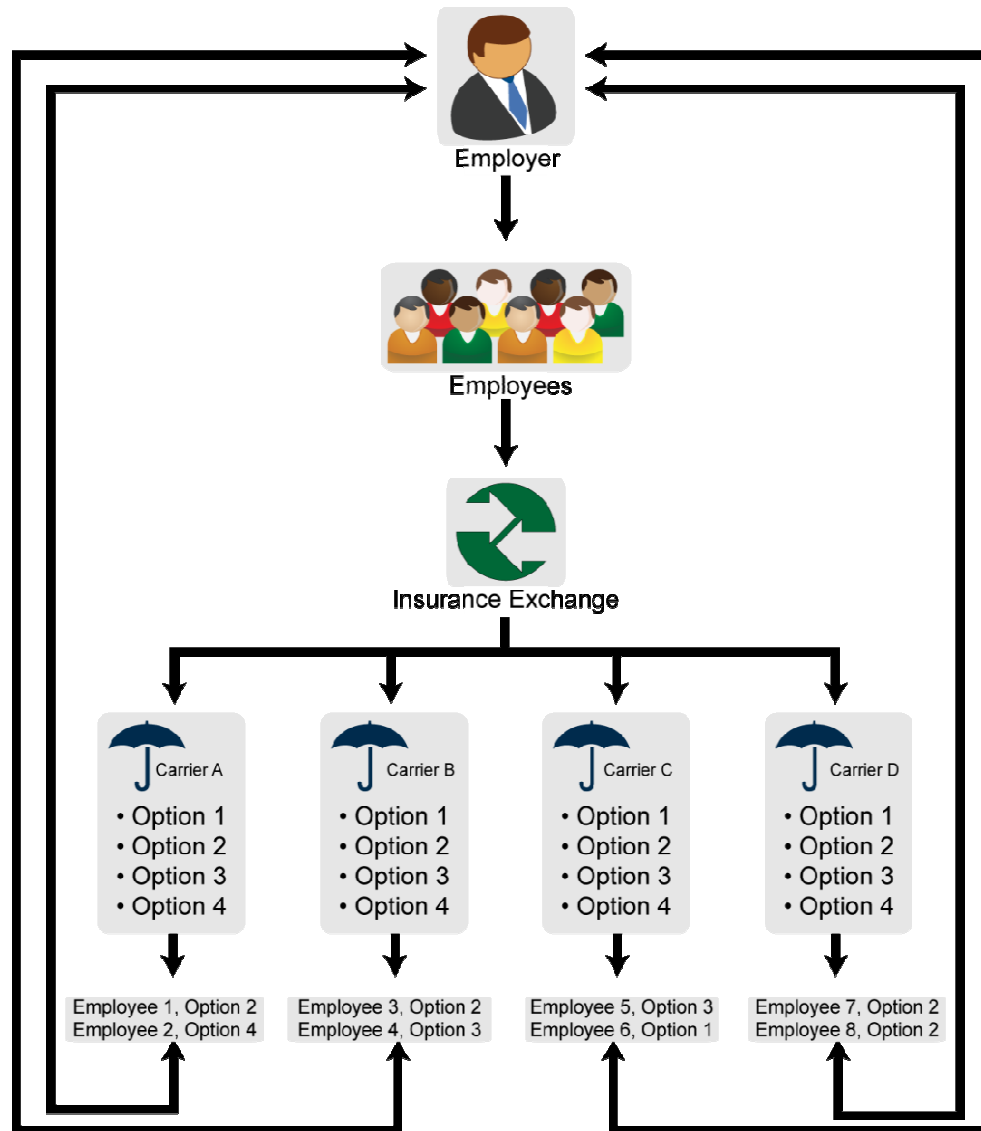
<u>Plan/Carrier</u>	<u>Carrier A</u>	<u>Carrier B</u>	<u>Carrier C</u>	<u>Carrier D</u>
Platinum	\$540	\$531	\$518	\$554
Gold	\$480	\$472	\$460	\$492
Silver	\$420	\$413	\$403	\$431
Bronze	\$360	\$354	\$345	\$369

## Option 4 – All Carriers, All Plan Levels

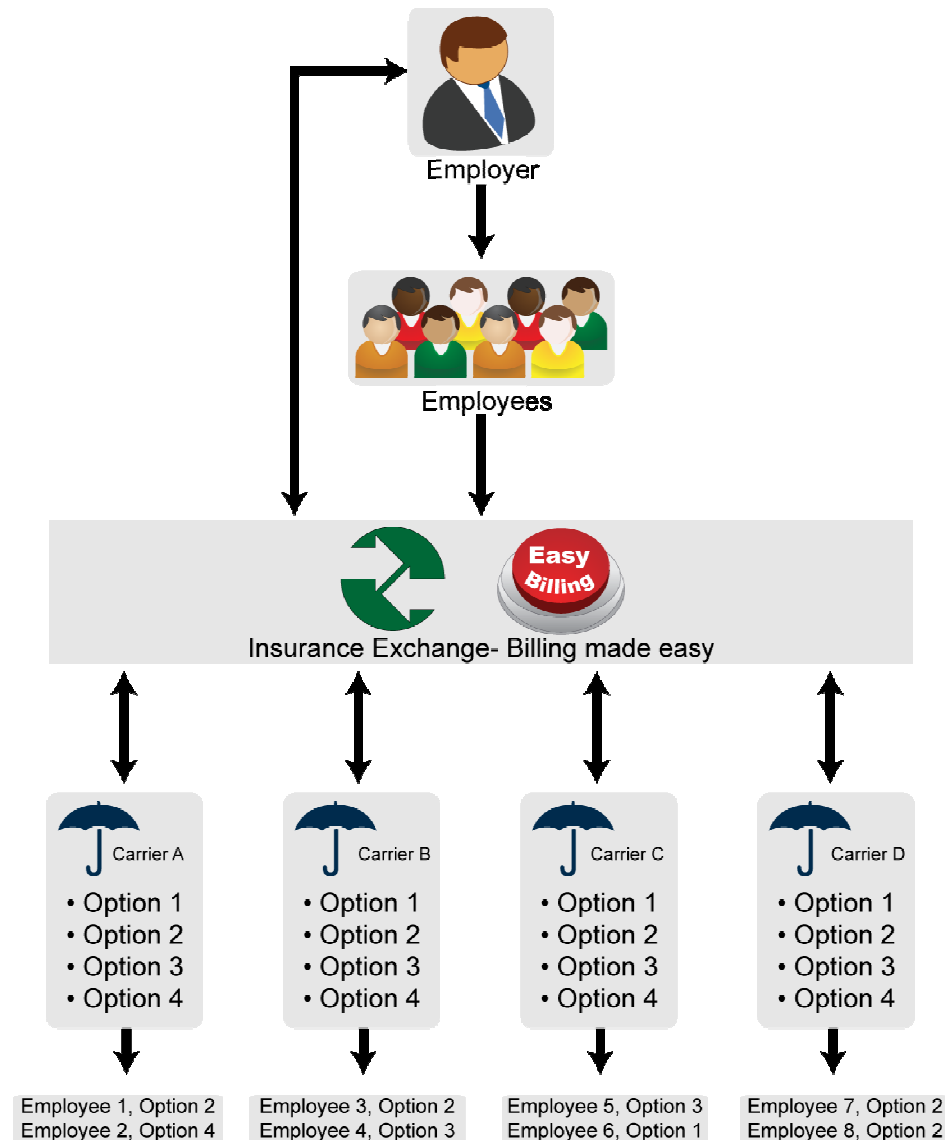
### Monthly Premiums for Single Coverage

<u>Plan/Carrier</u>	<u>Carrier A</u>	<u>Carrier B</u>	<u>Carrier C</u>	<u>Carrier D</u>
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# Premium Billing, Collection, Remittance



# Premium Billing, Collection, Remittance



# Key Issues for Nevada

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- Should the State establish one Exchange or separate Exchanges to serve the individual and group markets?
- Should the individual and small group market risk pools be combined or remain separate?
- What type of purchasing model will best meet the needs of Nevada employers, employees, and insurers?
- Is there a particular market segment that the SHOP Exchange may best serve?

# Key Issues for Nevada

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- Should the Exchange establish minimum contribution and participation requirements for small employers purchasing coverage through the Exchange?
- How will these contribution and participation requirements apply in an “employee choice” model?
- Should small groups be limited to 50 or fewer employees until 2016, when the definition of small groups must be expanded to 100 employees?
- What might be the effect on the broader group market from the introduction of the SHOP Exchange?

# Next Steps

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- Upcoming public forums focused on:
  - How the Exchange can align with the Medicaid and CHIP programs (May 24 and 25)
- Legislation establishing Silver State Health Insurance Exchange (SB 440) under consideration by the Legislature
- Develop strategic plan and roadmap to establish an Exchange